

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

ORIGINAL

- - - - - x

UNITED STATES OF AMERICA :

INDICTMENT

- v. - :

14 Cr.

KAREN ALAMEDDINE, :

a/k/a "Karen Dean," :

Defendant. :

- - - - - x

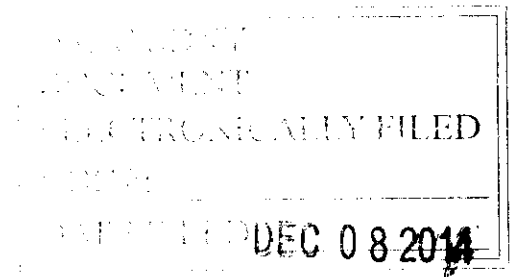
COUNT ONE  
(Wire Fraud)

The Grand Jury charges:

BACKGROUND

1. Between in or about 2005 and in or about early 2014, KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, was a resident of Nyack, New York and Perris, California and was the controller of a non-profit organization, based in Manhattan, New York, whose core mission is to cure genetic illnesses by supporting basic biomedical research (the "Non-Profit"). The Non-Profit is funded largely through private donations and gifts, and over its lifetime, has given over \$50 million to support research related to inherited diseases. From at least in or about 2006 through in or about 2014, the Non-Profit's giving has been effectuated largely through research and other grants of between \$10,000 and \$50,000.

**14 CRIM 808**



2. In carrying out her duties as the Non-Profit's controller, KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, who has an M.B.A. degree and a self-described "comprehensive knowledge" of accounting and taxes, was responsible for overseeing various aspects of the Non-Profit's internal accounting and financial affairs, including the delivery of grant money to grant recipients, the payment of the Non-Profit's bills, interaction with the Non-Profit's outside auditors, management of the Non-Profit's principal bank and checking accounts, and the making of entries in the Non-Profit's accounting software, which was done through the accounting software QuickBooks.

**The Scheme to Defraud the Non-Profit**

3. From in or about late 2008 through in or about March 2014, KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, engaged in a scheme to defraud the Non-Profit by diverting over \$1.8 million of the Non-Profit's funds to her own bank accounts and for her own personal use. ALAMEDDINE executed the scheme principally by disguising QuickBooks entries to make transfers to her personal bank account appear falsely as if they were wire or bank transfers made to provide funds to the Non-Profit's grant recipients. ALAMEDDINE further tried to disguise the scheme by receiving the diverted funds through an account she opened and controlled at the same financial institution that

held the funds from which the Non-Profit grants were disbursed. In addition, ALAMEDDEINE fabricated a fictitious accounting firm named "Davis & Greene," purportedly based in Washington D.C., which was, according to ALAMEDDINE, retained to prepare certain tax returns for the Non-Profit for the 2012 and 2013 tax years.

4. For the years 2009 through 2013, KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, fraudulently diverted the following approximate amounts from the Non-Profit to her own personal bank accounts:

YEAR	AMOUNT
2009	\$342,332
2010	\$383,000
2011	\$262,254
2012	\$309,250
2013	\$530,000

5. After KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, fraudulently transferred the aforementioned amounts to her own personal bank account in New York, she then transferred the funds to yet other accounts she controlled, including accounts in the following names: Abacus Accounting, Chez Cheval Ranch, Dean & Co., Karen Dean Exports, Karen Dean Properties, Hussein and Karen Alameddine, Karen Alameddine, Karen Dean and Vida Rossi, and Karen J. Alameddine (Glendale

Area Schools Federal Credit Union bank account). ALAMEDDINE used the diverted funds for various personal purposes, including to pay utility bills, car payments, and mortgages.

**Statutory Allegations**

6. From in or about late 2008 through in or about March 2014, in the Southern District of New York and elsewhere, KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, willfully and knowingly, and for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted by means of wire communications in interstate commerce, writings, signs, signals, pictures, and sounds, to wit, ALAMEDDINE engaged in a scheme to defraud the Non-Profit, and sent electronic transfers of money and other communications in interstate commerce to further that scheme.

(Title 18, United States Code, Section 1343.)

COUNT TWO  
(Money Laundering)

The Grand Jury further charges:

7. The allegations contained in paragraphs One through Five are incorporated and realleged as if fully set forth herein.

8. From in or about late 2008 through in or about March 2014, in the Southern District of New York and elsewhere, KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, did conduct and attempt to conduct financial transactions, to wit, wire transfers, bank-to-bank transfers, and bank withdrawals, which in fact involved the proceeds of specified unlawful activity, to wit, the wire fraud scheme alleged in Count One, (i) with the intent to engage in conduct constituting a violation of Section 7201 of the Internal Revenue Code of 1986; and (ii) knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of these proceeds of specified unlawful activity.

(Title 18, United States Code, Sections 1956(a)(1)(A)(ii),  
1956(a)(1)(B)(i), and 2.)

**COUNTS THREE THROUGH SEVEN**  
(Tax Evasion)

The Grand Jury further charges:

9. The allegations contained in paragraphs One through Five are incorporated and realleged as if fully set forth herein.

10. For each of the calendar years 2009 through 2013, KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, signed under penalty of perjury and filed with the Internal Revenue Service ("IRS") a U.S. Individual Income Tax Return, Form 1040. During the years 2009 through 2013, ALAMEDDINE falsely and fraudulently omitted from her tax returns the reporting of over \$1.8 million of income she received from the wire fraud scheme alleged in Count One above. Those falsities resulted in ALAMEDDINE's evasion of substantial amounts of income tax for each of the years from 2009 through 2013.

**Statutory Allegations**

11. From on or about January 1 of each of the calendar years set forth below, through on or about the filing date for each calendar year, in the Southern District of New York and elsewhere, KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, willfully and knowingly did attempt to evade and defeat a substantial part of the income tax due and owing by ALAMEDDINE to the United States of America for the calendar

years 2009 through 2013, by various means, including, among others, preparing and causing to be prepared, signing and causing to be signed, and filing and causing to be filed with the IRS, false and fraudulent U.S. Individual Income Tax Returns, Forms 1040, for the calendar years 2009 through 2013, which returns falsely omitted substantial income received by ALAMEDDINE from the scheme to defraud the Non-Profit, and thereby substantially understating ALAMEDDINE's total income, adjusted gross income, taxable income, and tax due and owing each year, as set forth in part below:

COUNT	TAX YEAR	TAXABLE INCOME PER RETURN	UNREPORTED INCOME	ADDITIONAL TAX DUE AND OWING TO IRS
3	2009	\$ 82,773	\$342,332	\$109,573
4	2010	\$ 67,793	\$385,000	\$126,792
5	2011	\$ 60,693	\$262,254	\$ 75,776
6	2012	\$100,640	\$309,250	\$ 95,381
7	2013	\$ 49,761	\$530,000	\$170,657

(Title 26, United States Code, Section 7201.)

**FORFEITURE ALLEGATION AS TO COUNT ONE**

12. As a result of committing the wire fraud offense alleged in Count One of this Indictment, KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, a sum of United States currency equal to at least \$1,826,856.00, in that such a sum represents some or all of any property, real or personal, which constitutes or is derived from proceeds

traceable to the offense alleged in Count One of this Indictment, and which includes at least the following:

- a. Any and all U.S. currency on deposit in Account Number 9803612739, in the name of Dean and Company LL;
- b. Any and all U.S. currency on deposit in Account Number 9804698331, in the name of Karen J. Alameddine;
- c. Any and all U.S. currency on deposit in Account Number 9804427145, in the name of Karen J. Alameddine;
- d. Various items of jewelry seized from KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant on or about November 17, 2014 and currently in the custody of the IRS, including but not limited to:
  - i. eight gold bracelets;
  - ii. two watches;
  - iii. four pairs gold earrings;
  - iv. a pearl necklace and bracelet;
  - v. a silver necklace with blue and pearl beads;
  - vi. one pair gold and white earrings;
  - vii. a gold cross on a chain;
  - viii. a gold necklace;
  - ix. two clear stone bracelets;
  - x. one pair clear stone earrings;
  - xi. one pair blue beads;
  - xii. a gold and stone horse pin;
  - xiii. a pearl necklace with a clear stone pendant;
  - xiv. 14 rings bearing stones of various colors and makes;
  - xv. three pairs of pearl earrings; and
  - xvi. five pairs of earrings bearing stones of various colors and makes.



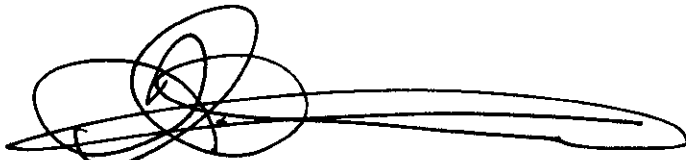
FORFEITURE ALLEGATION AS TO COUNT TWO

13. As the result of committing the money laundering offense alleged in Count Two of the Indictment, KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant, shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1), a sum of United States currency equal to at least \$1,826,856.00, in that such a sum represents any and all property, real and personal, involved in the money laundering offense and all property traceable to such property, including but not limited to the following:

- a. Any and all U.S. currency on deposit in Account Number 9803612739, in the name of Dean and Company LL;
- b. Any and all U.S. currency on deposit in Account Number 9804698331, in the name of Karen J. Alameddine;
- c. Any and all U.S. currency on deposit in Account Number 9804427145, in the name of Karen J. Alameddine;
- d. Various items of jewelry seized from KAREN ALAMEDDINE, a/k/a "Karen Dean," the defendant on or about November 17, 2014, and currently in the custody of the IRS, including but not limited to:
  - i. eight gold bracelets;
  - ii. two watches;
  - iii. four pairs gold earrings;
  - iv. a pearl necklace and bracelet;
  - v. a silver necklace with blue and pearl beads;
  - vi. one pair gold and white earrings;
  - vii. a gold cross on a chain;
  - viii. a gold necklace;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Sections 981 and 982; Title 21, United States, Section 853(p); Title 28, United States Code, Section 2461(c).)

A handwritten signature consisting of several overlapping loops and a long horizontal stroke extending to the right.

FOREPERSON

A handwritten signature in cursive script that reads "Preet Bharara".

PREET BHARARA<sup>RT</sup>  
UNITED STATES ATTORNEY

Form No. USA-33s-274 (Ed. 9-25-58)

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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**UNITED STATES OF AMERICA**

**- v. -**

**KAREN ALAMEDDINE, also known as  
"Karen Dean,"**

**Defendant.**

**INDICTMENT**

14 Cr. \_\_\_\_ ( )

(18 U.S.C. §§ 1343, 1956(a)(1)(A)(ii),  
1956(a)(1)(B)(i), and 2; 26 U.S.C. § 7201.)

**PREET BHARARA**

United States Attorney.

**A TRUE BILL**

  
Foreperson.

12/8/14 - ae  
Filed Indictment  
Case assigned to Judge Woods  
Judge Fox  
USMJ